

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7037**

**BILL NUMBER:** HB 1304

**NOTE PREPARED:** Jan 7, 2006

**BILL AMENDED:**

**SUBJECT:** Judicial Funding for Counties.

**FIRST AUTHOR:** Rep. Dodge

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

- A.     *County Information Systems for Trial Courts* – It authorizes the Supreme Court to create a Judicial Technology and Automation Project to: (1) establish technical criteria and standards for a case and document management system to allow a county to purchase its own case management system that is interoperative with case management systems in other counties; (2) provide technical assistance; and (3) establish and maintain a central information gathering system.
- B.     *Automated Record Keeping Fee* – It requires 57% of the automated record keeping fee to be deposited in the record perpetuation fund maintained by the county clerk and 43% of the automated record keeping fee to be deposited in the Supreme Court's Judicial Technology and Automation Project Fund.
- C.     *Return of Fund Balances* – It specifies that funds in the Judicial Technology and Automation Project Fund on July 30, 2006, shall be returned to the counties on a pro rata basis.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Automated Record Keeping Fee* – Under current law, 100% of a \$7 automated record keeping fee is deposited in the State User Fee Fund. As proposed, 43%, or \$3.01, would be deposited in the State User Fee Fund, while the balance of \$3.99 would be retained at the local level. This will result in a revenue loss of \$3.7 M. to the State User Fee Fund.

Based on reporting statistics from the *Indiana Judicial Report*, an estimated \$6.49 M is transferred from the

the State User Fee Fund annually into the Judicial Technology Automation Project Account based on FY 2004 and 2005 and the first six months of FY 2006.

Revenue (in Millions) Transferred into Judicial Technology Automation Account from State User Fee Fund			
FY 2004	FY 2005	FY 2006	Estimated Annual Revenue
\$6.28	\$7.17	\$6.01	\$6.49

A 57% reduction in collectible fee will reduce the fee revenue deposited into the Judicial Technology Automation Project Account by \$3.7 M.

Proposed Change in Revenue (in Millions) From State User Fee Fund		
State Portion (43%)	Local Portion (57%)	Total
\$2.79	\$3.70	\$6.49

*Return of Fund Balances* – Whatever remains in the fund balance of the Judicial Technology Automation Project Account on July 1, 2006, would be returned to each local unit of government. The Auditor of State would determine on a percentage basis each county's contribution to the fund. As an illustration of the potential revenue that could be redistributed to the counties, the following table shows the account balances on the end dates of FY 2003 through FY 2005 and after the first six months of FY 2006.

Trial Balance of Judicial Technology Automation Account By Reported Date			
June 30, 2003	June 30, 2004	June 30, 2005	December 31, 2006
\$2,821,594	\$7,916,487	\$7,294,715	\$9,942,800

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The revenue gain of \$3.7 M for local governments would be deposited into the Record Perpetuation Fund administered by either the clerk of the circuit court or the city or town court. Counties would also receive a portion of the Judicial Technology Automation Project Account balance remaining as of July 1, 2006.

**State Agencies Affected:** Auditor of the State; State Supreme Court.

**Local Agencies Affected:** Counties.

**Information Sources:** Account Number 6000-186300 Judicial Technology Automation Project Account.

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